

# Fastener World News

compiled by Fastener World Inc.

## China Requests for Review of EU's Antidumping Measures



China launched its request through WTO for the consultation with EU regarding the imposition of antidumping measures up from 22.9% to 74.1% against steel fasteners exported from

China. China said that the calculation of tax rates does not conform to the regulations of WTO and asked for further discussion and review with EU 2 years after the WTO Panel found flaws on the tax calculation of EU. After the request, EU has to make a response within 15 days.

China thinks that though the tax rates have been reduced from the original 26.5%-85% to the current 22.9%-74.1%, the actual condition does not 100% match with the investigative results made by EU, and the rates are still too high.

China added, despite member countries of EU can impose antidumping measures on other countries if they think their products imported into EU are priced much lower than they are sold in the local markets, obviously the calculation of rates now is not compliant with the regulations of WTO. These products are generally used for the applications of automobiles, home appliances, and machines.

It is understood that about 200 Chinese companies are affected by the measures. A report by the members of WTO Panel found that not only the Chinese companies face the incorrectly calculated rates, countries within the region also face the same problem.

## U.S. ITC Determines to Continue Antidumping Duties Against Chinese Steel Nails

On December 11, 2013, U.S. International Trade Commission announced in the sunset review that the antidumping measures against steel nails with China origin will continue and agreed that if the existing measures are canceled, U.S. domestic industries will suffer material injury caused by the products involved within a reasonable and foreseeable future. All the 6 commissioners voted "yes" for the continuation.

According to the determination of U.S. ITC, U.S. Department of Commerce will continue to impose antidumping duties against steel nails imported from China.

On October 21, 2013, U.S. International Trade Commission announced to launch a sunset review of steel nails imported from China with product codes falling in 7317.00.55, 7317.00.65, and 7317.00.75.



## WTO Establishes Compliance Panel for EU's AD Duties Against Chinese Iron and Steel Fasteners

The Dispute Settlement Body of World Trade Organization established Wednesday a compliance panel for the dispute between China and the EU regarding the antidumping measures against the import of certain iron and steel fasteners from China. The panel was established according to the request of China for another consultation with the EU on October 30, 2013. China thinks that the measures currently adopted by the EU are inconsistent with WTO's recommendations and rulings, though the measures have once been revised at the previous consultation. China considers the measures to be unfair and unreasonable, however, the EU is completely convinced that the current antidumping measures adopted are fully in line with the recommendations and rulings of WTO and thinks that there is no need to make another adjustment. Due to the existence of dispute between both parties, WTO then set up a panel for discussion. Japan and the United States as the third parties reserve their rights to participate in the proceedings of the panel.



## Canada Launches Reinvestigation on Dumping of Carbon Steel Screws from China

On Oct. 21, 2013, Canada Border Services Agency (CBSA) announced the antidumping and countervailing reinvestigations on carbon steel screws from China and Taiwan, in order to update the current normal and export values of carbon steel fasteners, as well as get the latest data of subsidies for carbon steel fasteners from China.

The reinvestigation is part of the material injury judgment made by the International Trade Court of Canada on Jan. 7, 2005 and the final sunset review made on Jan. 6, 2010. The International Trade Court of Canada determined that there is no proof of material injury to the industry from Chinese stainless steel screws and carbon steel/stainless steel nuts and bolts, however, part of the carbon steel screws do cause injury to the industry.

On Jan. 6, 2010, the International Trade Court of Canada made the final determination to the dumping and subsidies of carbon steel and stainless steel screws from China and Taiwan, saying that they materially caused injury to the local industry and the Court would continue to levy antidumping and countervailing duties on carbon steel screws. For other stainless steel screws of Taiwan origin, the antidumping measures would be terminated due to the inexistence of evidences of causing injury.

## Egypt Terminates Protective Measure Against Imported Threaded Steel



On November 21, 2013, Egypt terminated the protective measure against imported threaded steel due to the insufficient evidence of material injury to the local industry caused by the import of products involved during the investigation period, and the lack of evidence of threats resulted from the imported products.

On November 28, 2012, Egypt launched an investigation of protective measures on imported threaded steel and made the preliminary determination on the same day to levy 6.8% of protective tax on products involved (no lower than EGP299 per ton), which lasted for 200 days.



## ISO/TC2 Annual Assembly Discussed New Fastener Standards

The Annual Assembly of ISO/TC2 (ISO Technical Commission for Fasteners) was given during Oct/14-10/18, 2013 in Paris, where the French Mechanical Standardization Union (UNM) is located.

The organizer of the assembly was AFNOR and the conferences during the 5 days were hosted by Mr. Brahimi and Mr. Fautras. Nearly 42 delegates from China, Germany, USA, France, UK, Italy, Australia, Japan, Switzerland, Sweden, Canada, and South Korea (observer) attended the conferences for fastener standardization of ISO/TC2, SC7, SC12, SC14, TC2, and WG13.

During the 5-day event, experts reviewed the documents and drafts for "Basic Standards" submitted by ISO/TC2/SC7, "Metric Externally Threaded Screws" by ISO/TC2/SC11, "Metric Internally Threaded Screws" by ISO/TC2/SC12, "Metric Fastener Surface Treatment" by ISO/TC2/SC14, and "Non-threaded Fasteners & Washers" submitted by ISO/TC2/WG13. The review includes those standards proposed to be updated and revised last year (ISO/WD 3269, ISO/CD 16288, ISO/WD 6157/1, 6157/2, 6157/3, ISO/CD 1891/2, 1891/3, 1891/4, ISO/PWI 4042, ISO/CD 898/3, ISO/PWI 2320, as well as ISO 4759/3, 272, 3508, 4759/3, 4755, 7378, 8991, 8992, 2320, 15065). The attendees carefully and seriously reviewed the drafts one by one and made a resolution to organize a team for washers (WG3) for formulating the draft standards for ISO/WD 898/3 "Mechanical property of carbon steel and alloy steel fastener Section 3: flat washers and similar stamping parts." The next annual assembly of ISO/TC2 was also announced to be in Milan, Italy in Oct 2014.

## Fastener Import & Export of Chile

Total import value in 2012 was USD132.65 million and divided by major import origins below. USA (USD47.55 million, 35.8%), China (USD36.42 million, 27.4%), Taiwan (USD9.86 million, 7.44%); average import tariff was 6%.



Total export value in 2012 was USD17.53 million and divided by major export destinations below. Peru (USD7.66 million, 43.6%), Ecuador (USD2.03 million, 11.5%), Argentina (USD1.51 million, 8.6%).



## Asian Fastener Demand to Account for 45% of Global Market Value by 2018

In 2011, the demand of global industrial fastener market was USD65.5 billion and is expected to reach USD94.65 billion by 2018 (with a CAGR of 5.4%). The economic developments in China, Brazil, and India push the disposable incomes of consumers to increase and promote the growing demand of the automotive industry, which is one of the important factors to move the fastener market forward. In addition, the developments of the construction and maintenance industries worldwide during 2012-2018 will also become one of the factors to increase the fastener demand. However, the high antidumping rates imposed by the EU will to some extent restrict growth of the fastener market. The customization of fasteners applied to railway and solar equipment will bring more business opportunities to the entire fastener market.



## ALMA to Give Technical Committee March, 2014

The Aircraft Locknut Manufacturers Association (ALMA) has announced that the Technical Committee will be given at Holiday Inn Hotel (Santa Ana, California) on Tuesday, March 18, 2014. For further information of the committee, please contact ALMA at info@almanet.org



## Total Fastener Production of S. Korea in 2012 Slightly Dropped to 0.95 Million Tons

According to Korea Federation of Fasteners Industry Cooperatives (KFFIC), there are about over 700 fastener manufacturers with 13.6 thousand employees in South Korea. In 2012 the total fastener production in South Korea reached 0.95 million tons (about USD3.65 billion), which was a slight decline from the same period in 2011 mainly due to the decline of Korean automotive production. In 2012, the total production of cars in South Korea was 5,993,181 units, with a 1.93% decline compared to the same period last year.

The survey and analysis of KFFIC both show that the automotive, construction, and electronics industries are the three largest consumer groups of Korean fasteners and demand 700,000 tons, 130,000 tons, and 10,000 tons of fasteners respectively. The remaining 110,000 tons go to other industries.

In 2012, Korea imported fasteners in total value of USD0.45 billion, up 2.2% from the record of USD0.44 billion in 2011. In 2012, the export value of Korean fasteners rose by 25.1% from USD0.48 billion in 2011 to USD0.607 billion. As a result, in 2012 Korean fastener industry saw a trade surplus of USD0.157 billion.

## Brighton-Best International, Inc. Gains Critical Power from Acquiring Renowned US Distributor

Robert Hsieh, president of Brighton-Best International (BBI) which recently has acquired the renowned US distributor PFC, told in the NIFMSE that building private brands is the future for Asian industrial products. Five years ago he acquired the highly credited BBS in the US, successfully selling screws, nuts, stainless steel and aluminum alloy mainly made by Taiwanese makers to the US market. Currently its revenue of sales targeting at the US market reach USD 2 billion. Robert Hsieh is regarded as the glory of Taiwan.

As he points out, there are three obstacles for Taiwanese companies to develop marketing channels in the US. One is the sales clash with current clients; another is that Taiwanese companies are not much of a hand at American style management; the other is the inability to acquire funds from mainstream US banks. BBI takes the yrst and unprecedented action in Taiwan industry to acquire an American distributor, and this is also a strategy driven by positive outlook for the future market condition.



## Taiwanese Exhibitors at NIFMSE 2013 Said US Economy is Turning Good

Led by TFTA, nearly 70 Taiwanese companies exhibited at NATIONAL INDUSTRIAL FASTENER & MILL SUPPLY EXPO held on October 24-25, 2013. Seeing more visiting buyers and OEM inquiries, they think the US economy is turning around for the better.

Consultant of TFTA, Steven Fang told, "Due to the fact that the US is the largest fastener market, its economic condition will greatly effect the shipment from Asian screw and bolt makers. The venue this year obviously attracted many American visitors with samples at hand inquiring Taiwanese exhibitors for cooperation."

He added, "Taiwanese screw products are used in automobile, construction, aerospace and arms industry. Because Taiwan has a mature and consolidated fastener supply chain with strong capability in developing special products, Taiwanese makers can produce special alloy products. The fasteners are small but come with high level of quality and safety. Many exhibitors mainly come to fortify relationships with current and new clients, and business deals are actually executed before or after the fair."

William Liao, former chairman of TFTA and current general manager of Fastener World Inc. bringing a group of Taiwanese exhibitors to the fair, said that over the years Taiwanese companies have been reaching out to the world, and that TFTA members not only exchange experience with each other but also exchange with China and Southeast Asian makers, gaining abundant industrial information

domestic and abroad. Having seen signs of revival in the show for the first time since 2008, he foresees that exhibitors will be more willing to attend

the next show and that US fastener market condition will further improve for next year.



## Fastenal: Declining Trend for Q3 Gross Margin

Will Oberton, CEO of Fastenal said that a declining trend for the gross margin was seen in the company and he felt "not optimistic" to the following result. It is reported that 85% of the quarterly decline was transactional and 40% of the transactional drop was due to the product mix. Oberton added that the fasteners (which should be the one to generate the highest gross margin) increased by only 1% in the quarter, while the other non-fastener products (which are traditionally considered to generate lower gross margins), on the contrast, increased by 12%. The uneven proportion between them must be taken into serious consideration.

Oberton said that compared to the slowly growing sales with small customers, the sales with other large sized customers show a better growing trend. However, the gross margin the large sized customers can bring is comparatively lower. Oberton added, with the pressure from competitors and customers' demand for price reduction, the gross margin most companies (including Fastenal) can create is thus reduced. Oberton thinks that only when the market condition turns well, otherwise, the pressure from customers and competitors will still be there.



## MacLean-Fogg Component Solutions Announces Expansion

Duncan MacLean, President of MacLean-Fogg Component Solutions, announced an investment in new machining equipment which expands the Fastener Components division's manufacturing capabilities.

This new equipment is located in MFCS's Mundelein, Illinois facility. Mr. MacLean stated, "These investments expand MFCS's ability to provide technologically advanced fasteners and engineered component solutions to our customers in the following industries: automotive, heavy-duty truck and trailer, industrial engine, off highway, recreational vehicle, military, defense and industrial. The new state-of-the-art CNC and multi-spindle screw machines have the capacity to work with material that has a body diameter of 1.750" (44.45mm), and 14" (355.60mm) length enabling machined products with body diameters of .250" – 1.500" (6.35mm- 38mm), body height of .200" – 1.750" (5mm – 44mm), and length up to 3.00" (76.2mm). Additionally, new external threading capabilities allow for threading of body diameter of .250" – 2.625" (6.35mm – 66.675mm), a body height of .200" – 1.750" and 2.375" (60mm) length." The TS16949 and ISO14001 certified MFCS Fastener Components Mundelein facility manufactures over 600,000,000 internally threaded fasteners per year for automotive and other industries.





## B/E Aerospace Acquires Satair

The S&P 400 aerospace interiors products manufacturer B/E Aerospace has acquired the supplier of aerospace parts and service for the aerospace maintenance and production, Satair, based in Copenhagen, Denmark for USD162 million, in order to expand its business in Europe and Asia. B/E Aerospace expects to complete the deal before the end of Q4 2013.

B/E Aerospace said, "The total amount of this deal is about 1.5 times of the revenue the company achieved in 2012 and 10 times of the earning before taxes, interest, depreciation, and amortization the company achieved in 2010." After the press release, B/E Aerospace's stock price on 10/25 at Nasdaq was closed at USD33.49 per share.



## Grabber Construction

### Products Acquires KASS Building Supply, Inc.'s Baltimore Division

John V. (Jack) Kroll, President and CEO of GRABBER, announced today the expansion of the relationship of GRABBER with their long time customer, KASS, with the acquisition of KASS' Baltimore division, which will now be operated as Grabber Baltimore. KASS' Baltimore business has long enjoyed strong reputation in the northeast regions of the US and will be operated as a separate business unit of GRABBER. The addition of Grabber Baltimore will augment GRABBER's ability to continue to offer productivity enhancing products to the construction trades in the northeast region and surrounding markets. Grabber will begin servicing existing KASS customers immediately. Bill Reese, GRABBER Senior VP & US North Division Sale Manager indicates the acquisition "won't affect the service they've come to appreciate from KASS. In fact, we believe our new customers will benefit from Grabber's widespread and efficient distribution system."

## B2B Industrial Packaging's Industrial Fastener Sales Double

B2B Industrial Packaging, one of the fastest growing industrial packaging suppliers and fastener tool repair facilities in the U.S., just announced that its industrial fastener sales, including coil nails and screws have doubled since acquiring Pac Fast three years ago. Much of the growth can be attributed to the fact that B2B Industrial offers fastener tool repair, both onsite and offsite for its clients. "Fastener tool repair is a premium service and a significant value-add," said Pat Yonkus, Vice-President of Sales. "It's particularly valuable for our fastener clients because it greatly reduces downtime and, in some cases, has allowed clients to continue using fastener equipment for many years that they otherwise would have disposed of."



## Birmingham Fastener Appoints New VP of Manufacturing

The division of manufacturing of the U.S.-based Birmingham Fastener & Supply has recently welcomed the newly appointed vice president Kevin Johnson.

Having a Materials Science & Engineering (MSE) degree from Purdue University, Kevin Johnson also has 19 years of experience in increasingly responsible roles with several companies including Nucor.

Birmingham Fastener & Supply specializes in the production and distribution of T-head bolts, anchor bolts, cross brace rods, and structural/non-structural components for the metal building, steel construction, energy, utilities, aerospace, OEM and industrial markets and has 8 operations located throughout the country.

## The Bolt Company of New Mexico Acquired by Southwest Fastener

According to the mutual agreement made by the U.S.-based Southwest Fastener and The Bolt Company of New Mexico on Sep. 10, 2013, The Bolt Company of New Mexico has been acquired by Southwest Fastener. The interests for both high compatible companies after the acquisition can be further increased and the presence of Southwest Fastener in the state of New Mexico can be also strengthened a lot.

President Ken Lubbering of Southwest Fastener said that the most important part of this acquisition is not the tangible assets of The Bolt Company but the experienced staff of The Bolt Company who have got over 50 years of experience and knowledge in the fastener industry of the state of New Mexico and who can be added to the current employees of Southwest Fastener. Existing clients of The Bolt Company do not have to worry about the service they keep receiving from The Bolt Company will be influenced and can expect more and better service range in the future.



Manager John Barnhill of The Bolt Company also holds a very optimistic attitude and feels excitement to welcome such a merger of both parties. After The Bolt Company joins in the family of Southwest Fastener, the fastener industry in the state of New Mexico can thus offer service and prices that are better and more competitive.

## Vossloh Wins Contract for High-Speed Railways in Saudi Arabia



Fastening Systems Manufacturer Vossloh Fastening Systems has recently gained the contract for building the 450 kilometers of high-speed rails from Mecca to Medina in Saudi Arabia, which is worth EUR30 million. The first batch of fastening systems will be delivered before the year-end of 2013. This safe, environment friendly, and fast transport system can alleviate the pressure caused from the growing numbers of pilgrims and tourists traveling between Mecca and Medina. The system is expected to officially operate by 2015. It will only take less than 30 minutes to travel from Mecca to Jeddah at 320km per hour and only 2 hours to Medina.

Vossloh was awarded this contract due to its years of experience and excellent reputation in the projects of railways and freight construction. CEO Werner Andree of Vossloh said, "This project is in one of the fast growing markets in the world and provides us with an opportunity to supply high quality fastening systems to the first high-speed rails across the desert in the world."



## US Southco, Inc. Sets up a Branch in Japan

The company set up an ofyce, Southco Japan, Ltd, in Japan to enhance business development. The new ofyce has officially started operation on November 1, and is expected to provide direct technical service to Japanese clients and expand growth in the Japan market through product sales and operational system. Southco, Inc. was founded in Pennsylvania of US in 1899. Products include captive fasteners and so on, and are supplied to over 70 thousand companies from US, Europe, and Asia.



## Atlas Copco Acquires Bolt-tightening Solutions Specialist

Atlas Copco, a leading supplier of sustainable productivity solutions, has acquired UK-based Tentec Ltd., which develops and markets bolt-tightening solutions. The acquisition broadens Atlas Copco's range of products and services offered to the oil and gas, power generation and mining industries.

Tentec, based in West Bromwich, United Kingdom, has 65 employees and had revenues in 2012 of MGBP 9.8 (MSEK 105). The company, which was founded in 1988, specializes in hydraulic bolt tensioners. The tools, which are used in the assembly of heavy equipment, are sold globally.

"The acquisition of Tentec completes our portfolio of hydraulic bolt-tightening solutions that we are offering to several key industries," said Mats Rahmström, Business Area President for Atlas Copco Industrial Technique. "This will help enhance customers' productivity and assembly process quality."

## Japan Kamiyama Tekkosho Develops New Screw

The company developed "Reverse Bit Drilling Screw" that eliminates the common problem where the base material jacks up during fastening. The product is patented under patent No. 5342996 "Fastening Method of Construction Screws & Related Fastening Tools". The drill bit of the product is reversely formed compared with average drill bits. When fastening with electric drillers, one has to first rotate the screw leftward to drill a leading hole on the base material. When approaching the threaded part of the screw, one will then rotate the screw rightward to fasten it.



## Japan Osaka Forming's Anti-loosening Spunk Nut

Osaka Forming Co., Ltd. has introduced a new "Spunk Nut (Blind Nut)" type for its E-Lock series. This "E-Lock Spunk Type" is an advanced blind nut for unilateral operations and is added with a two-wing or three-wing structure to achieve anti-loosening.



## Japan Maeda Metal Industries Changes Company Name to "Tone"

The public tool company Maeda Metal Industries, Ltd has announced it would change its company name to "TONE", effective from November 1st, 2013. Due to the fact that the company's product brand "TONE" is broadly used and favored by the industry, a ýnal decision was made to unify the company name with brand name with the aim to enhance public awareness and recognition.

## Japan Iwata Bolt Released Electrically Conductive Earth Nuts & Earth Bolts

The company released its new products, "seat earth bolts", "earth nuts", and "ITM" (Iwata tapping screw for Magnesium). "Seat earth bolts" are used around the electric device in a car that uses insulated paints. Upon fastening, the bolt will make the paints fall off and ensure electric conductivity and water-proof effect. It will not cause dispersed paint chips, therefore eliminating working hours and the usage of masks.

"Earth nut" is an improved alteration of the original "UPS-P" (Uniform Pressure Screw) type nuts. When fastening with the earth nut, the threaded part and bange part of the nut will form a V-shaped notch which makes the insulated coating on the male screw fall off, therefore achieving the electric conductivity between the nut's threaded part and the male screw.

"ITM" is comprised of specially designed threads (in 45° symmetry) and pitch, as well as a female screw forming part. When driving "ITM" into Magnesium materials, the shape of its thread can maintain low drilling torque.



## Japan Daiwa-Kogyo Receives "Kodoe-Pro" Certification

Daiwa-Kogyo Co. Ltd's hollow rivet of super thin bore diameter has been qualified by the ýrst edition of "Kodoe-Pro" certification. "Kodoe-Pro" is a branding system established by the Kawagoe City government and the Chamber of Commerce and Industry to audit and promote excellent industrial products and techniques.

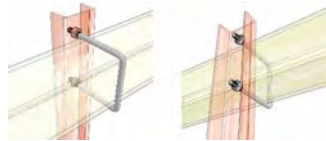
Daiwa-Kogyo was one of the 12 qualified companies in the ýrst edition of "Kodoe-Pro" certification. All qualified products are authorized to use the certification logo to enhance corporate brands.

Daiwa-Kogyo's rivet of super thin bore diameter utilizes a technology which has been used to bore min.  $\phi 0.3$  diameter. The technology was then used to mass-produce  $\phi 0.6$  stepped hollow rivets. Seven thousand units of Daiwa-Kogyo's qualified rivets were sold and used on hinges in 2006, accounting for a large share in machinery applications.



## Japan Hanshin Neji Launches Sale of "コ" Shaped Bolt

Hanshin Neji Co., Ltd recently initiated sale of its "コ" shaped bolts from inventory. Range includes 16 types for angle 50 to 350 x 250 angle. The product has 34 sizes encompassing M8-M16. Other materials, specs, and sizes are specifiable.



## Chin Well to Boost Production Capacity on Demand

Chin Well Holdings Bhd has received maximum orders for fasteners for the first quarter of 2014, which corresponds to the group's third quarter of 2013 fiscal year, and is now taking orders for the second quarter. Group managing director Tsai Yung Chuan said the orders from Europe and the United States would improve the group's revenue and bottom-line. "With this uptrend likely to continue, we intend to upgrade our production capacity for our fastener products at our manufacturing facilities in Penang and Vietnam." He said the group would spend RM10 million in capital expenditure, which would be generated by internal funding, to expand its production capacity and range of products. Tsai said the group also planned to expand its production capacity for threaded rods due to the five year anti-dumping duty imposed by the United States on steel threaded rod manufacturers in India and Thailand effective August 2013. "The industrial product and construction material wholesalers in the United States are now turning to Chin Well to source mild steel fasteners."

## Korean POSCO's Q3 Revenue Dropped over Low Steel Price and Weak Demand

POSCO told on October 24 that its revenue fell 3.7% to WON15.15 trillion with Q3 net profit down 22% to WON564 billion (USD532 million) year on year, which reflects the global low steel price and weak demand. Thus it adjusted its revenue forecast to WON63 trillion from the previous WON64 trillion.



## Walsin Lihwa Increases Steel Wire Rod Prices for November

Due to the increasing price of nickel in the market, Walsin Lihwa, a major steel wire rod manufacturer based in Taiwan, has made the decision to increase its steel wire rod prices in November 2013, even if some other upstream stainless steel products suppliers like Yieh United Steel decided to keep prices still.

Walsin Lihwa said that their material cost currently increased USD30 per ton, so they have to adjust the domestic steel wire rod price up by NTD3,000 per ton and the export price up by USD30 per ton.

However, according to some reports, Walsin Lihwa may face fierce competition from other counterparts, as the current steel wire rod prices widely accepted in Taiwan go around USD2,350 to USD2,400 per ton.

## New Best Industrial's Suzhou Plant to Expand Capacity in 2014

Wire giant New Best Industrial Co., Ltd. holds positive outlook for the automotive industry of Mainland China and plans to expand wire material production line in 2014 for the plant in Suzhou. The new capacity of the plant will go into operation in Q4 2014, and is expected to be 30% higher than the previous level, adding to the business power of the future.

On December 5, the company's stock price closed at NTD14.64, up NTD0.2.

New Best Industrial is also the downstream client of China Steel Corp., and its self-owned (100%) Suzhou plant mainly supplies wires for downstream automotive fasteners with clients of global giants including Japanese, European, American, and Chinese auto plants.

Benefited from stabilized POs and the previous addition of capacity, New Best Industrial contributes a higher profit of NTD42 million to the parent company in the first 3 quarters of 2013. The accumulative net profit after tax during the first 3 quarters is near NTD100 million with EPS at NTD1.

## Mexico Drives North American Auto Investment, Challenging China

The Mexican auto industry is about to go on a US10 billion factory building spree, illustrating the nation's rising economic challenge to rivals from the United States to China. Japanese and German auto manufacturers are spearheading the drive, say parts suppliers and researchers who see more auto factories built south of the border than in the United States between now and the end of the decade.

The United States will consume the vast majority of the new cars, but Mexico's domestic market has rebounded from a long slump. BMW AG (BMWG.DE: Quote), Toyota Motor Corp (7203.T: Quote) and Daimler AG's (DAIGN.DE: Quote) Mercedes-Benz are expected to announce at least US2 billion of deals in the next year or two, according to supplier and other industry sources. That's on top of nearly US6 billion in announced plants by Nissan Motor Co (7201.T: Quote), Honda Motor Co (7267.T: Quote), Mazda Motor Corp (7261.T: Quote) and Volkswagen AG (VOWG\_p.DE: Quote). U.S. automakers, all of whom have been building cars in Mexico since before World War II, will spend another US1 billion or more to upgrade Mexican plants.

Mexico "is quickly turning into the China of the West," said Joseph Langley, a senior analyst at Michigan-based research firm IHS Automotive, pointing to Mexico's low wages, a strong supply base and a global web of free-trade agreements. Mexican auto exports beyond North America are growing even faster than those within, according to the Federal Reserve Bank of Chicago. They accounted for nearly 30 percent of the 2.4 million exported last year. Altogether Mexico built 3.0 million cars and trucks, according to Automotive News, compared with 10.4 million in the United States and 2.5 million in Canada. By 2020, Mexico will have the capacity to build one in every four vehicles in North America, up from one in six in 2012, according to IHS.

## German Machinery Industry Expects Sales Growth in 2014



German Machinery industry, after experiencing a period of recession in 2013, is expected to see further sales growth in 2014. Thomas Lindner, Chairman of VDMA, said on Oct. 17, 2013 in a membership meeting in Stuttgart that the actual growth rate is expected to reach 3% in 2014 and the total value of production in 2013 would be merely EUR195 billion (a 1% decline). Based on the statistics by VDMA, the total number of employees in German machinery industry in 2013 calculated as of 2013 July is 0.984 million, 11,000 more than the corresponding period 2 years ago. As a result, many industries have been preparing for the upcoming growth next year.

## Future Growth of Automobile Sales to Be Driven by 'Future 15'

In the past 2 years, the automobile industry kept talking about the growing trend in the emerging markets including Brazil, Russia, India, and China. Up to date, similar talks have turned to 'Future 15 (emerging countries excluding the BRICS)', which is expected to become the leading drive for future growth of the automobile industry.

These countries covering substantial population include Indonesia, Thailand, Malaysia, Turkey, Saudi Arabia, Iran, Chile, Argentina, Monaco, Egypt, and so on.

According to the data released by Boston Consulting Group, the so-called 'Rising 15' can achieve 10 million units of car sales every year and this figure is expected to climb to 14.5 million units in 2020. In 10 years, all the BRICS will step into the developed condition and the 'Rising 15' will become the new increasing market for the automobile industry.

## Stainless Steel Plant Reinvested by Taiwan Formosa Plastics to Achieve Full Capacity in China in May 2014

President Lee Zhi Tsun (Transliteration) of Taiwan's Formosa Plastics Group said that the new stainless steel plant Formosa Plastics reinvested in China is going to reach full capacity next May and the annual production can go up to 0.7 million tons (which is also likely to expand to 0.9 million tons). Major products of the new plant will include 400 series stainless steel with the content of chromium, titanium, and niobium, as well as 300 series stainless steel with the content of nickel and chromium. The price of 400 series per ton is USD1,100, which is half the price of 300 series reaching USD2,200.

## FinnvedenBulten Signs Strategically Important Contract with Automotive Manufacturer in China

FinnvedenBulten's division Bulten has signed a strategically important contract for delivery of fasteners to an automotive manufacturer in China and will thereby strengthen its presence in the Chinese market. The annual order value is approximately SEK 10 million and continues over a number of years.

"Bulten has for a number of years back a fully owned factory in China with local manufacturing of high quality fasteners. An important part of our strategy for organic growth is to expand in growth markets and the fact that we have signed a new contract in China is very pleasing," says Tommy Andersson, CEO of Bulten.

The contract, starting in 2014, concerns deliveries of fasteners to both car production and drive lines and will continue over a number of years.

"The contract means that we will advance our position for division Bulten in the Chinese market and we see good potential for continued growth in China in the years to come," says Johan Westman, President and CEO of FinnvedenBulten.

## Nagakura Mfg. Considers Expanding Operations into Mexico

Auto component maker Nagakura Mfg. Co. Ltd's production value in the Vietnam and Thailand plant has already exceeded 50% of the sales value. Due to the increased demand from overseas auto plants for transmission device components, Nagakura is considering to expand operations into Mexico, and will make a final decision earlier in 2014.

## Japan's Organization for SME Development will Open Online Matching Platform

Japan's organization for SME development (Organization for Small & Medium Enterprises and Regional Innovation, Japan) has announced to open online matching platform "J - GoodTech" starting from April, 2014. The platform is currently recruiting SMEs (3,000 companies for this stage) with outstanding techniques, products and contributions to the manufacturing industry. The goal is to foster expansive distribution channels and business cooperation of domestic and foreign corporations. As the platform is aimed for international appearance, global companies can take the opportunity to locate and cooperate with Japanese fastener corporations. "J - GoodTech" has the following features:

- Customizable search configuration. Oriented for the needs of giant makers (buyers) to motivate information publishing and exchange. Buyers can quickly locate Japanese companies that meet specific requirements.
- On track with manufacturing exhibitions and business meetings to offer buyers exhibition intelligence in advance. Also serving as a post-exhibition intelligence exchange platform.
- The organization's crews and experts will offer consultation to SMEs (sellers), meanwhile offering intelligence to buyers to lead both sides to successful contracts.
- Compatible to English and other Asian languages for overseas expansion and for full tracking of Japanese SMEs.

